

Article - Education

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§12–113.

(a) Consistent with § 15–107 of this article and any other applicable law, the Board of Regents may establish, invest in, finance, and operate businesses or business entities when the Board finds that doing so would further one or more goals of the University and is related to the mission of the University.

(b) (1) A business entity established, invested in, financed, or operated in accordance with this section may not be considered an agency or instrumentality of the State or a unit of the Executive Branch for any purpose.

(2) A financial obligation or liability of a business entity established, invested in, financed, or operated in accordance with this section may not be a debt or obligation of the State or University.

(c) (1) Subject to the requirements of this section, an institution may establish, invest in, finance, or operate a corporation, foundation, consortium, or other entity that is intended to support a high impact economic development activity, as defined in § 12–104.1 of this subtitle.

(2) Notwithstanding the provisions of §§ 5–501 through 5–504 of the General Provisions Article and subject to § 5–525 of the General Provisions Article, an official or employee of a public institution of higher education may be a director, official, or employee of an entity intended to support a high impact economic development activity, if the individual's participation advances the interests of the institution.

(3) Division II of the State Finance and Procurement Article does not apply to transactions between an entity established, financed, or operated under this subsection and the institution or consortium of institutions that established, financed, or operated the entity.

(4) (i) The Board of Regents shall adopt policies and procedures governing the establishment of high impact economic development entities to ensure that the institution's participation in the entity furthers the interests of the institution, the University System of Maryland, and the State.

(ii) The policies and procedures under subparagraph (i) of this paragraph shall include requirements for:

1. Recognition of the entity by the Board of Regents;
2. An annual audit of the entity by an independent certified public accountant; and
3. Adequate safeguards with regard to conflicts of interest, proper contracting practices, and other fundamental ethical and business practice standards.

(d) The Board of Regents shall submit to the Governor, and in accordance with § 2–1257 of the State Government Article, the General Assembly, an annual report on:

- (1) The business entities established in accordance with this section;
- (2) Funds invested in, and financing provided to, business entities established in accordance with this section;
- (3) Ownership interests in any business entities established in accordance with this section; and
- (4) The current status of the business entities.

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